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CHARLES ELMORE CROPLEY
CLERK

Supreme Court of the United States

OCTOBER TERM, 1940.

No. 786

CHERRY-BURRELL CORPORATION, and THE GIRDLER CORPORATION,

Petitioners-Defendants,

v.

THE CREAMERY PACKAGE MFG. CO.,

Respondent-Plaintiff.

PETITION FOR WRIT OF CERTIORARI TO THE CIRCUIT COURT OF APPEALS FOR THE THIRD CIRCUIT AND BRIEF IN SUPPORT THEREOF.

CLAIR W. FAIRBANK,
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ALEXANDER L. NICHOLS,
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Supreme Court of the United States

OCTOBER TERM, 1940.

No.

CHERRY-BURRELL CORPORATION and
THE GIRDLER CORPORATION,
Petitioners-Defendants,

v.

THE CREAMERY PACKAGE MANUFACTURING COMPANY,
Respondent-Plaintiff.

PETITION FOR A WRIT OF CERTIORARI TO THE CIRCUIT COURT OF APPEALS FOR THE THIRD CIRCUIT.

TO THE HONORABLE THE CHIEF JUSTICE AND THE ASSOCIATE JUSTICES OF THE SUPREME COURT OF THE UNITED STATES:

Petitioners, Cherry-Burrell Corporation and The Girdler Corporation, respectfully pray that a writ of certiorari issue to the Circuit Court of Appeals for the Third Circuit to review a judgment of that court entered on Nov. 30, 1940, reversing a decree of the United States District Court for the District of Delaware, dismissing the complaint in a declaratory judgment action there filed by The Creamery Package Manufacturing Company against these petitioners.

I. Summary and Statement of Matter Involved.

Petitioners are Delaware corporations. The Girdler Corporation has its principal place of business in Louisville, Ky., and is the owner of Letters Patent Re. 21,406, relating to apparatus and processes for freezing ice cream and other products. Cherry-Burrell Corporation has its principal place of business in Chicago, Ill., and is an exclusive licensee under said patent in the ice cream field. Respondent is an Illinois corporation, having its principal

place of business in Chicago, Ill., where it manufactures and sells ice cream freezers.

The present suit was brought by the respondent in the United States District Court for Delaware under the Declaratory Judgment Act (Judicial Code §274(d), 28 USC §400),* seeking to have Patent Re. 21,406 declared invalid and not infringed by it.

Letters Patent Re. 21,406 issued to petitioner, The Girdler Corporation, on Mar. 19, 1940, for the balance of the term of original Patent 1,783,864, granted Dec. 2, 1930.

On Mar. 20, 1940, counsel for The Girdler Corporation, acting under and in accordance with RS §4900, 35 USC §49, notified respondent of the issuance of Patent Re. 21,406, and respondent's infringement thereof. A copy of that letter** was sent at the same time to petitioner, Cherry-Burrell Corporation. Thereupon, Mr. Cherry, President of Cherry-Burrell Corporation, by letter dated Mar. 22, 1940,*** wrote respondent making the following suggestion:

> "It seems to me that it might be possible to work out some type of plan that would make our license with The Girdler Corporation non-exclusive, and provide for a license to your Company. * * *
>
> "If you are interested in this suggestion, I would be very glad, at the very earliest opportunity, to meet with you in the hope that some progress towards a solution of this problem can be quickly worked out."

On Mar. 25, 1940, respondent's President, Mr. Wallis, replied to the foregoing letters of petitioners. In his letter**** to counsel for The Girdler Corporation, he said:

"I will communicate further with Mr. Cherry within

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* For convenient reference the Act is set forth in Appendix "A" hereto.

** This letter (Ex. A, R. 25) is set out in Appendix "B". It and the three remaining letters constitute the entire correspondence between petitioners and respondent.

*** This letter (Ex. C, R. 27) is printed in full in Appendix "B" hereto.

**** This letter (Ex. B, R. 26) is printed in full in Appendix "B" hereto.

the next few days in response to the suggestions made in his letter concerning this matter."

And in his letter* to Mr. Cherry, Mr. Wallis said:

"I will communicate further with you in the matter within the next few days."

Without further communication to either of your petitioners, respondent, on Mar. 27, 1940, only two days after sending its letters to petitioners, filed in the United States District Court for the District of Delaware, its complaint (R. 2) in the present action.

On Apr. 10, 1940, petitioners filed in the United States District Court for the Northern District of Illinois their patent infringement action (R. 33) against respondent, charging infringement of Patent Re. 21,406, and praying the usual relief. On respondent's motion and by order of that Court (R. 43), all further proceedings in that infringement action were stayed pending the entry of final decree in the Delaware action.

On Apr. 13, 1940, petitioners filed in the Delaware action a motion to dismiss the complaint or for summary judgment (R. 23). The motion was supported by two affidavits (R. 24 and 28) setting forth the foregoing letters and showing that they constituted the only communications between the parties from the date of the issuance of Patent Re. 21,406 to the date of the filing of the complaint herein. The District Court held that an "actual controversy" existed** but dismissed the action

* This letter (Ex. D, R. 27) is printed in full in Appendix "B" hereto.

** In its opinion, the District Court referred to a certain prior suit brought in 1936 by petitioners in the Eastern District of Pennsylvania against Abbott's Dairies, Inc. for infringement of Patents Nos. 1,783,864, 1,783,867, 1,972,253 to Vogt and No. 1,881,106 to Vogt & Wymond.

The infringement of Patent No. 1,881,106 consisted (1) of the use by defendant of a can-filling device as an accessory to the ice cream freezers used by defendant, and (2) of defendant's use of the freezers.

The freezers so used were made by respondent but the can-filling device was not. Respondent defended the suit.

Claim 4 of Patent 1,881,106 to Vogt & Wymond was adjudged

(Footnote continued on next page.)

because of respondent's unclean hands, as evinced by its letters and the filing of the complaint. At R. 49, the District Court said:

> "The statements in these letters of March 25 and the filing of the complaint by plaintiff in this suit on March 27, with no further communication to either defendant, can not be reconciled with good faith on plaintiff's part. The filing of the complaint in this suit under the circumstances of this case are not consistent with equity and good conscience. 'He that hath committed iniquity shall not have equity.' Railroad Company v. Soutter, 13 Wall. 517, 523.
>
> "In the exercise of its discretion the court will grant defendants' motion to dismiss the complaint."

The Circuit Court of Appeals for the Third Circuit, finding no fault with respondent's conduct, reversed the decree of the District Court dismissing the respondent's complaint (Opinion, R. 55; Judgment, R. 61).

Thus, two naked questions of Federal law of wide and general public interest are here presented.

II. Jurisdiction.

(a) The jurisdiction of this Court is invoked under §240(a) of the Judicial Code as amended by the Act of Feb. 13, 1925, 28 USC §347(a), and under Judicial Code §262, 28 USC §377.

(b) The judgment or decree of the Court below, review of which is sought, is dated Nov. 30, 1940 (R. 61).

(c) The questions here presented involve the construction of the Declaratory Judgment Act (28 USC §400), and the right of one having the status of the respondent herein to institute and maintain an action thereunder.

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valid and infringed. Claims 3 and 5 of Patent 1,783,864 were in issue. They were adjudged infringed if valid, but invalid (24 F. Supp. 551, affirmed 106 F. (2d) 998).

After the termination of that litigation, Patent 1,783,864 was surrendered, *Claims 3 and 5 thereof were disclaimed*, and Re. 21,406, the patent in the case at bar, was issued with new and narrower claims.

The suit instituted in Pennsylvania had been fully concluded and ended before Patent Re. 21,406 was issued.

(d) Cases believed to sustain the jurisdiction of this Court to grant a writ of certiorari in the present case are:

Triplett v. *Lowell*, 297 U. S. 638;
Keystone Co. v. *Excavator Co.*, 290 U. S. 240;
Baldwin v. *Traveling Men's Assn.*, 283 U. S. 522;
Sanders v. *Fertilizer Works*, 292 U. S. 190;
First Natl. Bank v. *Williams*, 252 U. S. 504, 512.

III. Questions Presented.

(1) Whether notice of infringement given under RS §4900, 35 USC §49,* by the owner of the patent to one believed to be infringing that patent creates, in and of itself, an "actual controversy" within the meaning of the Declaratory Judgment Act, 28 USC §400, between him, the patent owner and the exclusive licensee, and enables the alleged infringer forthwith to institute and maintain against the patent owner and the exclusive licensee or either of them, an action for a declaratory judgment with respect to the validity of the patent or its infringement by him.

(2) Whether one who is notified by the owner of a patent pursuant to RS §4900, 35 USC §49, is not barred and precluded by reason of unclean hands from maintaining against the patent owner and his exclusive licensee, or either of them, an action under the Federal Declaratory Judgment Act, 28 USC §400, with respect to the patent, its validity and his alleged infringement thereof, if, after receipt of such notice, the alleged infringer employs any artifice, deception, trick or fraud** to forestall the filing of an infringement action against him by the patent owner, while he, the alleged infringer, is proceeding to file an action under the Federal Declaratory Judgment Act against the patent owner.

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* For convenient reference this Section is set forth in Appendix "C" hereto.

** As for example the promise of respondent in its letters of Mar. 25, 1940 (Appendix B) to consider the suggestion of a license and to communicate further with petitioners with respect thereto, although manifestly respondent was then preparing its complaint filed in Delaware on the second day thereafter.

IV. Reasons Relied on for Allowance of the Writ.

(1) The Circuit Court of Appeals for the Third Circuit has decided important questions of Federal law which have not been but should be settled by this Court.

(2) The Circuit Court of Appeals for the Third Circuit has decided a Federal question in a way probably in conflict with applicable decisions of this Court.

(3) The decision of the Circuit Court of Appeals for the Third Circuit is in conflict with the decisions of Federal Courts in other circuits.

WHEREFORE, your petitioners respectfully pray that a writ of certiorari be issued out of and under the seal of this Court directed to the United States Circuit Court of Appeals for the Third Circuit commanding the said Court to certify and send to this Court on a day to be designated, a full transcript of the record and all proceedings of said Circuit Court of Appeals in the case numbered and entitled on its docket "No. 7503, The Creamery Package Manufacturing Company, plaintiff-appellant, v. Cherry-Burrell Corporation and The Girdler Corporation, defendants-appellees", to the end that this case may be reviewed and determined by this Court; that the judgment of said Circuit Court of Appeals for the Third Circuit be reversed; and that petitioners be granted such other and further relief as to this Honorable Court may seem meet and proper.

CHERRY-BURRELL CORPORATION,
THE GIRDLER CORPORATION,
By CLAIR W. FAIRBANK,
HUGH M. MORRIS,
ALEXANDER L. NICHOLS,
Counsel for Petitioners.

BRIEF IN SUPPORT OF PETITION.

The Opinions of the Courts Below.

The opinion of the District Court for the District of Delaware is set forth at R. 45, and is reported in 33 F. Supp. 625.

The opinion of the Circuit Court of Appeals for the Third Circuit (R. 55) is reported in 115 F. (2d) 980.

Jurisdiction.

The grounds on which the jurisdiction of this Court is invoked are stated in the foregoing petition, and in the interest of brevity are not here repeated.

Statement of the Case.

The facts have been stated in the petition. In the interest of brevity, they will not be here repeated.

Specification of Errors.

The errors which petitioners will urge, if the writ of certiorari is granted, are that the Circuit Court of Appeals for the Third Circuit erred

(1) in holding that an "actual controversy" within the meaning of the Federal Declaratory Judgment Act (28 USC §400) existed between the respondent, the petitioners, and each of them, when the complaint in the present suit was filed;

(2) in holding that respondent's conduct, evinced by its letters, was not so inconsistent with standards of honesty, fair dealing and natural justice as to preclude respondent from maintaining its action under the Federal Declaratory Judgment Act;

(3) in reversing the order or judgment of the District Court dismissing the complaint.

Summary of Argument.

The points of the argument will be taken up in the order of their statement under reasons relied on for allowance of the writ, as stated in the petition.

POINT I.

The Circuit Court of Appeals for the Third Circuit has decided an important question of Federal law which has not been but should be settled by this Court.

This Point involves the construction of the Federal Declaratory Judgment Act, 28 U. S. C. §400.

The effect of the decision of the Court below is that the sending by a patent owner of a notice of infringement pursuant to RS4900, 35 U.S.C. §49, to one believed to be infringing the patent, gives rise to an "actual controversy" between the alleged infringer on the one hand and the patent owner and its exclusive licensee on the other hand.

In so holding, the Court below decided not only a question of Federal law that has not been decided by this Court, but one of such wide practical effect that it is believed the question should be decided by this Court. Indeed, the decision of the Court below nullifies, in practical effect, RS4900. The inevitable consequence is that patent owners will institute patent infringement suits, without any prior communications with the infringer, against any person believed to be infringing.

The result will be greatly increased numbers of patent infringement suits.

The question decided is thus of broad public interest, not only to the owners of patents, but to the public at large, as well. This question may be subdivided into several sections.

A. As to when an actual controversy comes into existence.

In *Aetna Life Insurance Company* v. *Haworth*, 300 U. S. 227, 240-21, this Court, in construing the Federal Declaratory Judgment Act, said:

> "The controversy must be definite and concrete, touching the legal relations of parties having adverse legal interests (citing cases). It must be a real and substantial controversy admitting of specific relief through a decree of a conclusive character, as distinguished from an opinion advising what the law would be upon a hypothetical state of facts."

If there was a controversy between petitioners and respondent immediately upon the writing of the letter pursuant to RS4900 by The Girdler Corporation, what was the controversy? Was it with respect to the validity of Patent Re. 21,406, or with respect to respondent's infringement thereof, or was it with respect to a license thereunder or the terms thereof? Respondent took no position on any of these points.

Unless the controversy was then "definite and concrete", how can a controversy be said to have existed between the parties prior to the filing of the complaint herein?

In any event, what evidence is there of a controversy of any character between Cherry-Burrell Corporation, which did not give any notice under RS4900, and The Creamery Package Manufacturing Company?

The decision of the Court below upon this point is in conflict with the decisions of other courts.

In *Board of Com'rs for Buras Levee District* v. *Cockrell*, 91 F. (2d) 412, 413, the Circuit Court of Appeals for the Fifth Circuit, in speaking of the Declaratory Judgment Act, said:

> "The act does not alter the character of the controversies which are the subject of the federal judicial power under the Constitution. *United States* v. *West Virginia*, 295 U. S. 463, 464, 55 S. Ct. 789, 79 L. Ed. 1546. General contentions between the parties which have not become a definite and concrete controversy will not suffice. *Ashwander* v. *Tenn. Valley Authority*, 297 U. S. 288, 289, 56 S. Ct. 466, 80 L. Ed. 688."

In *New Discoveries, Inc.* v. *Wisconsin Alumni Research Foundation*, 13 F. Supp. 596 (W. D. Wis.), the Court, in dismissing the petition for a declaratory judgment based solely upon a patent notice, held:

> "The fact that defendant may have notified plaintiff or others that the use of plaintiff's processes would constitute an infringement of defendant's patents does not give rise to an actual controversy (p. 598).
>
> * * * * *
>
> "The mere fact that the plaintiff expects the defendant to bring an infringement action against it or its licensees does not entitle the plaintiff to main-

tain its present action to have declared that defendant has not a good cause of action against plaintiff or its licensees. The complaint reveals no actual controversy ripe for adjudication" (p. 599).

Petersime Incubator Company v. *Bundy Incubator Company*, 34 USPQ. 251 (D. C. Ohio), was an action for a declaratory judgment with respect to plaintiff's infringement of certain patents which defendant had charged it with infringing. The Court said:

> "The court is of opinion that in order to establish an actual controversy in such a case as that now before the court it is necessary for plaintiff to allege and prove that in making the representations alleged to have been made that they were made by defendant in bad faith. Prior to the present statute injunctions were granted against a patentee who in bad faith and with malicious intent harassed his competitor and his competitor's trade. *Emack* v. *Kane*, 34 Fed. 46. The question of good faith or bad faith is the gravamen of the charge. A patentee has always had the right to express his opinion as to infringement so long as it is done in good faith. *Robbins* v. *Petersime*, 51 F. (2d) 174, 178; *New Discoveries* v. *Wisconsin Alumni Research Foundation*, 13 F. Supp. 596. This claim of bad faith must show on the face of the bill (p. 253).
>
> * * * * *
>
> "Mere difference of opinion as to whether a given device does or does not infringe a patent does not in and of itself create a condition of 'actual controversy' within the meaning of the Act" (p. 256).

This Court in *United States* v. *West Virginia*, 295 U. S. 463, said (p. 474):

> "There is no support for the contention that the judicial power extends to the adjudication of such differences of opinion. Only when they become the subject of controversy in the constitutional sense are they susceptible of judicial determination."

B. As to the need for the parties to take adverse positions to create an actual controversy.

In *Aetna Life Ins. Co.* v. *Haworth*, 300 U. S. 227, 236, this Court said:

> "The question presented is whether the District Court had jurisdiction of this suit under the Federal Declaratory Judgment Act."

At page 242, it added:

> "Second—There is here a dispute between parties who face each other in an adversary proceeding. The dispute relates to legal rights and obligations arising from the contracts of insurance. The dispute is definite and concrete, not hypothetical or abstract. *Prior to this suit, the parties had taken adverse positions with respect to their existing obligations.*"*

In *Lances et al.* v. *Letz*, 115 F. (2d) 916 (CCA2), the Court in a suit instituted Nov. 17, 1939, found that there was an actual controversy, because the charges of infringement had been made on Feb. 4, 1939, and that

> "On March 22, their (plaintiffs') attorney wrote defendant's counsel that the garments manufactured by his clients did not infringe any claims of the patent, that plaintiffs' article in question was in public use prior to defendant's pa'ent application, * * * and that they had 'still other evidence' to show that defendant's claims were 'entirely invalid' because of prior art."

In *E. W. Bliss Company* v. *Cold Metal Process Co.*, 102 F. (2d) 105 (CCA 6), the Court found that there was an actual controversy where, as stated by the Court:

> "The bill charges that the plaintiff * * * had advised the defendant that its patents were invalid and not infringed, but that the defendant had refused or neglected for a period of five years to bring suit against the plaintiff on its patents, and had continued to threaten the plaintiff, its customers and prospective customers, by reason of which the plaintiff had suffered damage (p. 107).
>
> * * * * *

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* Italics are counsel's throughout this brief.

"The plaintiff * * * has invited suit against it upon the patents without response" (p. 108).

The question as to whether or not the taking of such adverse positions is essential to the existence of an "actual controversy" has not been settled by this Court.

C. As to the proper exercise of discretion in declining jurisdiction where there is a pending suit involving the same issues.

This Court in *Rogers* v. *Guaranty Trust Co. of New York*, 288 U. S. 123, has said:

> "While the District Court had jurisdiction to adjudge the rights of the parties, it does not follow that it was bound to exert that power.
>
> * * * * *
>
> "It was free in the exercise of a sound discretion to decline to pass upon the merits of the controversy and to relegate plaintiff to an appropriate forum.
>
> * * * * *
>
> "But it safely may be said that jurisdiction will be declined whenever considerations of convenience, efficiency, and justice point to the courts of the state of the domicile as appropriate tribunals for the determination of the particular case" (pp. 130, 131).

Although that was not an action under the Declaratory Judgment Act, the Court of Appeals for the Seventh Circuit, in *American Automobile Ins. Co.* v. *Freundt, et al.*, 103 F. (2d) 613, 616, quoted the foregoing in considering the discretionary power conferred upon courts by the Declaratory Judgment Act, and followed that decision in holding that the District Court exercised sound discretion in sustaining a motion to dismiss. It said (p. 617):

> "The precise question here presented has not been passed upon by the Supreme Court."

It quoted the following from *Borchard on Declaratory Judgments*, pages 109, 110, referring to that book as "an authoritative work":

> "* * * the court will refuse a declaration where another court has jurisdiction of the issue, where a proceeding involving identical issues is already pending in another tribunal, * * *
>
> * * * * *

"where the defendant's action is *about to begin* or has begun, it serves no sensible end to permit a plaintiff to appear as equitable actor and start the proceedings for an autonomous declaration that he has a good defense to his opponent's pending or imminent action" (pp. 617, 618).

In *Zenie Bros.* v. *Miskend et al.*, 10 F. Supp. 779, 782 (S. D. N. Y.), Judge Patterson said:

"Where more effective relief may be obtained by other proceedings, and consequently a declaratory judgment would not serve a useful purpose, the courts are justified in refusing a declaration. Borchard on Declaratory Judgments, pp. 109, 110. There is undoubtedly a discretion in the courts in reference to entertaining suit for declaratory judgment. The statute does not command action in all cases; it provides that the courts 'shall have power' to declare rights and relations."

In *Automotive Equipment Inc.* v. *Trico Products Corp.*, 11 F. Supp. 292, 293 (W. D. N. Y.), Judge Knight in granting a motion to dismiss, said:

"It is difficult to define precisely the full purposes served or intended by the Declaratory Judgment Act. An actual controversy must exist. The act is not exclusive. It affords an alternative remedy. It provides a remedy in certain controversies where no other is available. Borchard on Declaratory Judgments, p. 147 et seq. In this suit another remedy is available."

In *Aetna Casualty & Surety Co.* v. *Yeatts*, 99 F. (2d) 665, 669 (CCA 4) the Court said that:

"* * * the court should not decide the disputed question if the result would be merely to anticipate the trial of an issue involved in a pending case or to determine the validity of a defense which could be tried equally well therein."

Judge Knox of the Southern District of New York, followed the principle of these cases, in *Acticarbone Corporation* v. *National Carbon Company*, Equity No. 82/97, decided June 30, 1936. The Opinion is not officially re-

ported, but a certified copy is in this record (R. 44, 45). In dismissing the petition he said:

> "However, since the filing of the original petition respondent has asserted the rights it claims against petitioner in an ordinary patent suit. In that action the disputes of the parties may be determined.
>
> "Having regard for the fact that all the issues there to be tried will be actual, and wholly unincumbered by the presence of a number that may be merely academic, I have concluded, in the exercise of discretion, to dismiss the petition and its amendments, and require the controversies to be presented in the suit in which respondent is complainant."

In all of these cases under the Declaratory Judgment Act, the Courts found that there was another pending suit involving the same issues, and in which those issues could be tried at least equally as well. In each case the Court, in the exercise of its discretion, required the controversy to be settled in the other and more appropriate forum.

The decision of the Court below brings into a state of further confusion and uncertainty the construction put upon the Declaratory Judgment Act by the several Federal Courts and other authorities in relation to the discretionary power of the District Court to refuse to entertain such an action, under facts here present.

It is believed, therefore, that this question is one of such wide and general importance, that the instant case should be reviewed and the question decided by this Court.

POINT II.

The Circuit Court of Appeals for the Third Circuit has decided a Federal question in a way probably in conflict with applicable decisions of this Court.

The statement of the caption is true with regard to the decision of the Court below (1) that an "actual controversy" existed, and (2) approving the conduct of respondent.

It is believed that the instant case is probably in conflict with *Aetna Life Ins. Co.* v. *Haworth*, in that in the instant case the parties had not taken "adverse positions" with respect to the validity or infringement of Patent

Re. 21,406 at any time prior to the filing by respondent of its complaint in the declaratory judgment action in Delaware.

It is believed that the instant case is probably in conflict with *Rogers* v. *Guaranty Trust Co. of New York*, in that in the instant case jurisdiction was not declined, although there was a pending suit involving the same issues, and in the state in which the main offices of two of the parties hereto were located.

The decision of the Circuit Court of Appeals for the Third Circuit approved the conduct of respondent in assuring petitioners that it would communicate further with them, although it did not do so, and filed its complaint in Delaware on the second day after the letters were written. The decision is probably in conflict with applicable decisions of this Court, in which it refused to become the "abetter of iniquity".

In *Keystone Co.* v. *Excavator Co.*, 290 U. S. 240, 245, this Court said:

> "This Court has declared: 'It is a principle in chancery, that he who asks relief must have acted in good faith. The equitable powers of this court can never be exerted in behalf of one who has acted fraudulently or who by deceit or any unfair means has gained an advantage. *To aid a party in such a case would make this court the abetter of iniquity.*' *Bein* v. *Heath*, 6 How. 228, 247. And again: 'A court of equity acts only when and as conscience commands, and if the conduct of the plaintiff be *offensive to the dictates of natural justice*, then, whatever may be the rights he possesses and whatever use he may make of them in a court of law, he will be held remediless in a court of equity.' *Dawesse* v. *Reinhard*, 165 U. S. 386, 390."

In *R. H. Stearns Co.* v. *United States*, 291 U. S. 54, 62, the view of this Court was expressed in these words:

> "A suit may not be built on an omission induced by him who sues."

The acts of respondent are evinced by unquestioned documents. Consequently, there arises no question of fact. The foregoing cases likewise establish that a court

of equity will never aid one who has acted fraudulently or who by deceit or any unfair means has gained an advantage, and that for a court of equity to aid such a party would make the court the abetter of the iniquity. Not only is the decision of the Court below approving of the conduct of respondent probably in conflict with applicable decisions of this Court, but it presents the further question as to whether the Federal Declaratory Judgment Act is to be construed as being so far distant from the field of equity and good conscience that the doctrine of unclean hands is without application in actions instituted under that Act.

Can it be that acts that would be offensive to the dictates of natural justice in a court of equity may nevertheless receive the approbation of a court, when proceeding under the Federal Declaratory Judgment Act?

Can it be that the acts of respondent evinced by its letters and its filing of its declaratory judgment action under the screen of those letters, are so consistent with the dictates of natural justice and proper standards of business men that they should receive the stamp of approval of Federal Courts, and thus become the datum by which relations between man and man are to be fixed?

It is believed that the decision of the Court below in approving, in effect, the acts of respondent as evinced by its letters, is one of such far-reaching effect not only in the field of the patent law, but wherever honesty, fair dealing and high ethical standards should prevail, that in the public interest and in the interest of natural justice, the decision of the Court below should be reviewed by this Court.

POINT III.

The decision of the Circuit Court of Appeals for the Third Circuit is in conflict with the decisions of Federal Courts in other circuits.

The cases with which the decision of the Circuit Court of Appeals for the Third Circuit is in conflict are set out under Point I at pages 8 to 14 inclusive, hereof.

CONCLUSION.

WHEREFORE, in the interest of certain and uniform interpretation of the Declaratory Judgment Act as applied in the broad field of patent cases, and in the interest of the maintenance by the Federal Courts of honesty and fair dealing on the part of those who seek their aid, petitioners pray that the decision of the Court below be reviewed and reversed by this Honorable Court, and to that end that the writ of certiorari be granted.

Respectfully submitted,

CLAIR W. FAIRBANK,
HUGH M. MORRIS,
ALEXANDER L. NICHOLS,
Counsel for Petitioners.

Appendix A.

§400. (Judicial Code section 274d). Declaratory Judgments authorized; procedure.

(1) In cases of actual controversy except with respect to Federal taxes the courts of the United States shall have power upon petition, declaration, complaint, or other appropriate pleadings to declare rights and other legal relations of any interested party petitioning for such declaration, whether or not further relief is or could be prayed, and such declaration shall have the force and effect of a final judgment or decree and be reviewable as such.

(2) Further relief based on a declaratory judgment or decree may be granted whenever necessary or proper. The application shall be by petition to a court having jurisdiction to grant the relief. If the application be deemed sufficient, the court shall, on reasonable notice, require any adverse party, whose rights have been adjudicated by the declaration, to show cause why further relief should not be granted forthwith.

(3) When a declaration of right or the granting of further relief based thereon shall involve the determination of issues of fact triable by a jury, such issues may be submitted to a jury in the form of interrogatories, with proper instructions by the court, whether a general verdict be required or not.

Appendix B.

LETTER, EX. A, R. 25

March 20, 1940.

Creamery Package Mfg. Co.
Chicago, Illinois

Gentlemen:

I am enclosing herewith two copies of Reissue patent, Re. 21,406, issued to The Girdler Corporation on March which was defended by you.

19, 1940, to replace the Vogt Patent No. 1,783,864 which was involved in the suit against Abbotts Dairies, Inc.

As the Court held that claims 3 and 5 of that patent would be infringed, if valid, but were too broad or indefinite to properly define over Meisenhelter, the patent has been reissued to limit the claims so as to clearly define over Meisenhelter. New claims 1, 2 and 3 which replace original claims 3 and 5 are believed to be clearly infringed by the CP freezer.

The purpose of this letter is to notify you of the grant of the Reissue patent and your infringement thereof, and to specifically notify you that unless infringement ceases, it will be necessary to take legal action.

Very truly yours,

(signed) C. W. FAIRBANK.

CWF:ES
Enc.

LETTER, EX. C, R. 27

March 22, 1940
WLC-MM

Mr. George E. Wallis
Creamery Package Mfg. Company,
1243 W. Washington Boulevard
Chicago, Illinois

Dear Mr. Wallis:

In today's mail I have received copy of letter written to you, dated March 20th, by Mr. C. W. Fairbank, Attorney for The Girdler Corporation. This letter refers to Reissue Patent Re. 21,406.

I would like it very much if some way could be found to adjust our differences. Lawsuits are very expensive and very annoying.

It seems to me that it might be possible to work out some type of plan that would make our license with The Girdler Corporation nonexclusive, and provide for a license to your Company. If something of this kind could be done, it seems to me that there might be great advantages to all concerned.

If you are interested in this suggestion, I would be very glad, at the very earliest opportunity, to meet with you in the hope that some progress towards a solution of this problem can be quickly worked out.

Yours very truly,

(Signed) W. L. CHERRY
President

LETTER, EX. B, R. 26

March 25, 1940

Dean, Fairbank & Hirsch
420 Lexington Avenue
New York, N. Y.

Attention Mr. C. W. Fairbank,

Dear Sir:

This will acknowledge your letter of March 20, relating to the reissue patent No. 21406, which I find awaiting my return to the office this morning.

I also have a letter from Mr. W. L. Cherry, dated March 22, and which relates to the same subject matter.

I will communicate further with Mr. Cherry within the next few days in response to the suggestions made in his letter concerning this matter.

Yours very truly,

THE CREAMERY PACKAGE MFG. COMPANY
(Sgd.) G. E. WALLIS
President and General Manager

GEW:MLD

LETTER, EX. D, R. 27

Chicago, Illinois
March 25, 1940

Mr. W. L. Cherry, President
Cherry-Burrell Corporation
427 West Randolph Street
Chicago, Illinois

Dear Mr. Cherry:

I find your letter of March 22, and also Mr. Fairbank's letter of March 20 awaiting my return to the office this morning. This present development of the continuous ice cream freezer litigation is a surprise to me and naturally I wish to discuss it with our people. I will communicate further with you in the matter within the next few days.

Yours very truly,

THE CREAMERY PACKAGE MFG. COMPANY
(sgd) G. E. Wallis
President and General Manager

GEW:MLD

Appendix C.

Title 35. Patents. §49. Patented articles marked as such; notice of infringement. It shall be the duty of all patentees and their assigns and legal representatives, and of all persons making or vending any patented article for or under them, to give sufficient notice to the public that the same is patented; either by fixing thereon the word "patent", together with the number of the patent, or when, from the character of the article, this cannot be done, by fixing to it, or to the package wherein one or more of them is inclosed, a label containing the like notice: *Provided, however*, That with respect to any patent issued prior to April 1, 1927, it shall be sufficient to give such notice in the form following, viz: "Patented", together with the day and year the patent was granted; and in any suit for infringement by the party failing so to mark, no damages shall be recovered by the plaintiff, except on proof that the defendant was duly notified of the infringement and continued, after such notice, to make, use, or vend the article so patented. (R.S. §4900; Feb. 7, 1927, c. 67, 44 Stat. 1058.)

FILED
MAR 25 1941
CHARLES ELMORE CROPLEY
CLERK

IN THE

Supreme Court of the United States

October Term, 1940.

No. 786.

CHERRY-BURRELL CORPORATION and THE GIRDLER CORPORATION,
Petitioners-Defendants,

v.

THE CREAMERY PACKAGE MANUFACTURING COMPANY,
Respondent-Plaintiff.

Petitioners' Reply to Brief for Respondent in Opposition to Petition for Writ of Certiorari.

CLAIR W. FAIRBANK,
HUGH M. MORRIS,
ALEXANDER L. NICHOLS,
Counsel for Petitioners.

International, 236 Chestnut St., Philadelphia

IN THE

Supreme Court of the United States.

No. 786. October Term, 1940.

CHERRY-BURRELL CORPORATION AND THE GIRDLER CORPORATION,
Petitioners-Defendants,

v.

THE CREAMERY PACKAGE MANUFACTURING COMPANY,
Respondent-Plaintiff.

PETITIONERS' REPLY TO BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

In reply to the brief for respondent in opposition to petition for certiorari herein, petitioners respectfully direct the attention of this Honorable Court to the authorities listed on page 17 of respondent's brief. These authorities are cited by respondent in support of the decision of the Court below and, consequently, in support of the proposition that the mere sending of an infringement notice by a patentee in and of itself immediately gives rise under the Declaratory Judgment Act to an "actual controversy" within the meaning of that Act, notwithstanding the patentee promptly thereafter makes a tender of license to the alleged infringer and the latter thereupon advises the patentee that he has taken the matter under consideration and that he will communicate further with the patentee "within the next few days".

But thereby respondent has itself refuted the assertion (Brief, p. 19) that the "authorities show no conflict of deci-

sion and clearly establish that a notice of infringement and a threat to take legal action, without more, is such a denial and challenge of a party's right to continue its manufacture and sale of the accused device as to create an actual justiciable controversy and to entitle the threatened party to bring a Declaratory Judgment action".

For, such authorities but emphasize and intensify the conflict upon that very question with those decisions cited on pages 8 to 12 inclusive of the petition. And that question is not only a federal question of great importance to patent owners and supposed infringers but is as well a question of wide and general public interest. It is a question that has not been, but should be, settled by this Court.

With respect to respondent's contention (Brief, pp. 23, 24) that the Court below correctly construed the decision of this Court in *Keystone Driller Co. v. General Excavator Co.*, 290 U. S. 240, as without application to the respondent's conduct in the case at bar, it need only be inquired by what reasoning respondent reaches the conclusion that its letters and representations immediately preceding the filing of its complaint herein had no "immediate and necessary relation to the equity" that it seeks in respect of the matter here in litigation.

The petition should be granted.

Respectfully submitted,

CLAIR W. FAIRBANK,
HUGH M. MORRIS,
ALEXANDER L. NICHOLS,
Counsel for Petitioners.

FILED
MAR 20 1941
CHARLES ELMORE CROPLEY
CLERK

IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1940.

No. 786.

CHERRY-BURRELL CORPORATION and
THE GIRDLER CORPORATION,
Petitioners-Defendants,

vs.

THE CREAMERY PACKAGE MANUFACTURING
COMPANY,
Respondent-Plaintiff.

BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

GEO. W. HANSEN,
M. HUDSON RATHBURN,
Attorneys for Respondent.

Eastman Bros., Law Printers, 542 S. Dearborn St., Chicago

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IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1940.

No. 786.

CHERRY-BURRELL CORPORATION and THE GIRDLER CORPORATION,
Petitioners-Defendants,

vs.

THE CREAMERY PACKAGE MANUFACTURING COMPANY,
Respondent-Plaintiff.

BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

To the Honorable the Chief Justice and the Associate Justices of the Supreme Court of the United States:

I. STATEMENT.

Petitioners' Summary and Statement of Matter Involved needs correcting and supplementing. Certain facts should be emphasized, which petitioners have not done, so that the issues raised by the Petition can be determined in the light of these facts. An important fact is that petitioners and respondent have since 1936 been dealing at arm's length as open and bitter antagonists respecting respondent's right to manufacture and sell its ice cream freezers. This culminated in January, 1940, in adjudications in favor of respondent in the case of *Girdler Corporation and*

Cherry-Burrell Corporation v. *Abbotts Dairies, Inc.*, 24 F. Supp. 551 (1938); affirmed in 106 F. (2d) 998 (C. C. A. 3). This case will be discussed further.

Nature of the Case and Decisions of the Courts Below:

No questions of federal law are presented by the Petition which need to be settled or clarified by this Court and regarding which there is any conflict of decision between the several Circuit Courts of Appeals. Nor does the Petition present any question of wide and general public interest.

Respondent, in its Complaint filed in the Delaware District Court, seeks an adjudication by way of the Declaratory Judgment Act of its right to continue to manufacture, use, and sell its ice cream freezers without paying tribute under petitioners' Reissue patent No. 21,406, the original of this patent (No. 1,783,864) having been previously adjudicated to be invalid because of lack of invention over the prior art when these same ice cream freezers were in issue in the aforementioned patent infringement suit between the same parties (Rec. pp. 4-5; pars. 8, 9, 10, and 11)* Respondent here challenges the validity of petitioners' Reissue patent, and further asserts that, if this patent is adjudicated to be valid, then it is not infringed by respondent's ice cream freezers.

In February, 1936, petitioners filed in the District Court for the Eastern District of Pennsylvania a patent infringement suit against Abbotts Dairies, Inc., of Philadelphia, Pa., a *customer of respondent*, which was using an ice cream freezer manufactured and sold to it by respondent prior to 1936. This suit charged Abbotts Dairies, Inc., with infringement of several patents, including original patent No. 1,783,864 issued to Vogt on December 2, 1930.

* This is the case of *Girdler Corp. and Cherry-Burrell Corp.* v. *Abbotts Dairies, Inc., supra.*

Petitioners in the *Abbotts Dairies* case appeared as joint plaintiffs because The Girdler Corporation was the owner of the patents and Cherry-Burrell Corporation was the exclusive licensee thereunder. They appear in the case at bar in the same relationship respecting Reissue patent No. 21,406.

Respondent openly and avowedly defended in the *Abbotts Dairies* case (Judgment, Rec. p. 37). The District Court, Judge Kirkpatrick sitting, adjudged that the alleged invention of patent No. 1,783,864 was anticipated in all respects by the prior art, and that the patent claims in suit, namely, claims 3 and 5,* were invalid (Rec. p. 37). The opinion of the District Court is reported in 24 F. Supp., page 551 (1938). Petitioners perfected an appeal to the Circuit Court of Appeals for the Third Circuit, and that Court, in a *per curiam* memorandum, reported in 106 F. (2d), page 998, affirmed in all respects the District Court. The mandate issued January 11, 1940 (Rec. p. 4).

It was because of these adjudications invalidating the original patent No. 1,783,864 that the Reissue patent No. 21,406 here involved was sought *more than nine years after the grant of the original patent.*†

The litigation involving the original Vogt patent No. 1,783,864 was a protracted and costly one (Rec. p. 30). Upon its termination respondent believed that its right to manufacture, use, and sell its ice cream freezers, which had been on the market continuously since prior to 1936, had been finally and unequivocally established as against any contentions that the right to manufacture, use, and

*Claims 3 and 5 of the original Vogt patent were the only claims of that patent in suit. Therefore, when we refer herein to the Vogt invention being anticipated by the prior art and the Vogt patent being void and invalid, our remarks are directed to these two claims.

†The statute authorizing the reissue of defective patents is 35 U. S. C. Sec. 64 (R. S. 4916). This statute is quoted in Appendix A of this brief.

sell was in violation of any rights that petitioners might have under this Vogt patent.

On January 17, 1940, six days after the issuance of the mandate of the Court of Appeals in the *Abbotts Dairies* case, petitioner, The Girdler Corporation, as assignee of the original Vogt patent, filed in the United States Patent Office an application for a reissue of that patent, which application matured on March 19, 1940, into Reissue patent No. 21,406, the patent upon which respondent's Declaratory Judgment Action is bottomed.

During the pendency of this application for reissue of the Vogt patent, The Girdler Corporation, on February 20, 1940, entered a formal disclaimer of the subject matter of claims 3 and 5 of the original Vogt patent No. 1,783,864 (the claims that had been invalidated in the *Abbotts Dairies* case) under the provisions of United States Statutes 35 U. S. C. A., Sections 65 and 71* (Rec. p. 5, par. 13; p. 58).

In a letter of March 20, 1940 (Rec. pp. 56-57), the day after the grant of the Vogt Reissue patent No. 21,406, petitioner, The Girdler Corporation, notified respondent that it was infringing this Reissue patent by manufacturing and selling the identical ice cream freezer attacked in the previous *Abbotts Dairies* case and *threatened to take legal action against respondent*. In a letter of March 22, 1940, the petitioner, Cherry-Burrell Corporation, hinted rather broadly to respondent as to the possibility of further costly and annoying litigation if a compromise were not speedily effected (Rec. pp. 57-58).

In the said letter of March 20, 1940, from Clair W. Fairbank, counsel for The Girdler Corporation and one of the attorneys who signed the instant Petition and who was actively in charge of petitioners' prosecution of the earlier *Abbotts Dairies* case, it is stated that:

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* These statutes are quoted in Appendix B of this brief.

"The purpose of this letter is to notify you of the grant of the Reissue patent and your infringement thereof, and to *specifically notify you that unless infringement ceases, it will be necessary to take legal action.*"* (Rec. p. 25, Ex. A.)

This quoted portion of Mr. Fairbank's letter is not emphasized in either the Petition or petitioners' brief. This letter of March 20, 1940, written by a lawyer to Mr. Wallis, a layman, also stated that:

". . . the Court held that claims 3 and 5 of that patent [the Vogt original patent] would be infringed, if valid, but were too broad or indefinite to properly define over Meisenhelter, . . ."

This is an incorrect statement, because the Courts held that claims 3 and 5 of the original Vogt patent were invalid because the *Meisenhelter patent anticipated Vogt at all points* (24 F. Supp. 551, pp. 556 and 557).†

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*Emphasis supplied throughout unless otherwise indicated.

†Judge Kirkpatrick's opinion, referred to in the second footnote on page 3 of the Petition, contained the following language:

"Claim 3 may be dismissed very briefly. The reasons for holding it invalid will probably be amplified in the discussion of claim 5, and it need be said here only that, in my judgment, it is fully anticipated by the Meisenhelter patent (1,113,807) and the related prior uses.

. . . . . .

"I therefore hold claim 3 invalid as anticipated.

"Claim 5 is a narrower claim. . . .

. . . . . .

"The question to be determined thus becomes very simple. Prior to Vogt, was there disclosed or practised a continuous method of freezing ice cream under pressure in which the amount of air incorporated into the product could be adjustably controlled by a pressure method of incorporating the air into the mix prior to freezing?

"I am of the opinion that the Meisenhelter patent and the manufacture of ice cream commercially by freezers made in substantial conformance with it, fully anticipates the process of claim 5. . . .

"The Meisenhelter patent is for a machine and not a process, but if constructed and used in accordance with the specification the 'Vogt process' would necessarily be followed. Thus the disclosure, even without the testimony as to its commercial operation, is sufficient to anticipate the Vogt patent" (pp. 554, 555).

Speaking of the fact that the Meisenhelter patent had been cited against the Vogt patent application by the Patent Office, the Court said (p. 557):

". . . *The plain fact is that, though the Meisenhelter patent anticipated him at all points,* he somehow managed to convince the Examiner that it did not."

In the said letter of March 22, 1940, Mr. Cherry, president of the Cherry-Burrell Corporation, concurred, at least by implication, in the charge of infringement and the threat to take legal action that were contained in the Fairbank letter of March 20. The letter of March 22 (Rec. p. 27, Ex. C) reads in part as follows:

> "I would like it very much if some way could be found to adjust our *differences. Lawsuits are very expensive and very annoying.*"

This letter also bristles with the urge that haste is all important. It suggests a meeting "at the very earliest opportunity" and expresses the hope that the solution of the problem engendered by the newly issued Vogt patent "can be quickly worked out."

We emphasize here the above portions from the letters of March 20 and 22, because we believe that they, in the light of the above-recited background of which these letters form a part, establish that a justiciable controversy then existed between the owner of the Vogt Reissue patent and the exclusive licensee thereunder, on the one hand, and the manufacturer of the challenged ice cream freezer, The Creamery Package Mfg. Company, on the other hand. *Both the Delaware District Court and the Court of Appeals so held in their opinions.* The Court is now asked to review concurring rulings by the Courts below on the foregoing facts which establish that a justiciable controversy existed between the parties at the time of the commencement of respondent's Declaratory Judgment action.

Mr. Wallis, on behalf of respondent, then wrote the letters of March 25, 1940 (Rec. pp. 26 and 27, Exs. B and D). Without further ado, respondent filed the Complaint on March 27, 1940, in the Delaware District Court (Rec. pp. 2-10).

Subsequently, to-wit, on April 10, 1940, petitioners filed their infringement suit against respondent (Rec. pp. 33-

36) in the Illinois District Court, charging infringement of the Vogt Reissue patent No. 21,406 by reason of respondent's having continued to manufacture and sell the same ice cream freezer that was involved in the *Abbotts Dairies* case wherein the courts of the Third Circuit had held that the original Vogt patent No. 1,783,864 was invalid and void because it lacked patentable invention.

Thus the issues presented for adjudication in respondent's Declaratory Judgment action in the Delaware District Court and in petitioners' infringement action in the Illinois District Court are the same. The Circuit Court of Appeals so held (Rec. p. 59).

On April 13, 1940, petitioners filed their motion to dismiss the Complaint in the Delaware action or, in the alternative, for a summary judgment (Rec. pp. 23-24). As grounds for their motion, petitioners allege in varying language that no actual controversy is set forth in the Complaint and that no actual controversy existed at the time the Complaint was filed. Accompanying petitioners' motion were two affidavits: one by Walter L. Cherry (Rec. p. 28), executed in Illinois on April 12, 1940, and one by Clair W. Fairbank (Rec. pp. 24-25), executed in Delaware on April 11, 1940.

These two affidavits merely identify the various letters of March 20, March 22, and March 25 as constituting the only communications between the respondent and the petitioners prior to the filing of respondents' Complaint in the Delaware District Court and subsequent to the grant of the Vogt Reissue patent No. 21,406 on March 19, 1940.

There was no suggestion whatsoever in petitioners' motion papers that respondent's Complaint should be dismissed in the exercise of the Court's discretion because of lack of good faith or unclean hands on the part of respondent.

On April 23, 1940, respondent filed its affidavits in opposition to petitioners' motions. The affidavit of Geo. W.

Hansen (Rec. pp. 31-33) establishes that petitioners' Illinois infringement action, not mentioned in petitioners' motion papers, was filed on April 10, 1940, and involves the same parties. Accompanying the Hansen affidavit were certified copies of petitioners' Complaint filed in the Illinois infringement suit (Rec. pp. 33-36) and the Judgment entered in the *Abbotts Dairies* case that invalidated the original Vogt patent (Rec. pp. 37-38). The affidavit of George E. Wallis, president and general manager of respondent (Rec. pp. 30-31), establishes the above-recited facts relative to respondent's defense and conduct of the *Abbotts Dairies* case on the original Vogt patent, that the respondent has continued and is continuing to manufacture the *same* ice cream freezer as was involved in the *Abbotts Dairies* case, and that respondent will be irreparably damaged unless its rights to continue such manufacture and sale are promptly adjudicated.

On May 3, 1940, pursuant to motions brought in the Illinois infringement suit by respondent, defendant there, an order was entered by Judge Woodward staying all proceedings in that action pending final disposition of the Declaratory Judgment action pending in the Delaware District Court (Rec. p. 43).

The Decisions of the Courts Below:

The District Court.—In the opinion of the District Court (Rec. pp. 45-49), Judge Nields found, contrary to the grounds relied upon in petitioners' motion papers, that an *actual justiciable controversy existed between the parties at the time that respondent's Complaint was filed* but he, in the purported exercise of his discretion, nevertheless granted the motion to dismiss. While the opinion does not definitely state the grounds upon which the Court based its purported exercise of discretion, Judge Nields discussed two points: first, the fact that the subsequently-filed Illinois

infringement suit against respondent was brought three weeks after the notice of infringement contained in the Fairbank letter of March 20, 1940, and second, the fact that respondent had not communicated with petitioners subsequent to Mr. Wallis's letters of March 25, 1940, and prior to the filing of the Complaint by respondent.

With respect to the second point, Judge Nields held that Mr. Wallis's two letters implied an undertaking by respondent to withhold action until after some further communication to petitioners, and that the filing of the Complaint with no further communication from respondent could not be reconciled with good faith and was not consistent with equity and good conscience. From Judge Nields's reference in his opinion to the case of *Railroad Company* v. *Soutter*, 13 Wall. 517, 523, it appears that he, in dismissing the Complaint, invoked the equitable maxim of Unclean Hands.*

From Judge Nields's Order dismissing respondent's Complaint, appeal was taken to and prosecuted before the Court of Appeals for the Third Circuit (Rec. p. 50).

The Circuit Court of Appeals.—The Court in its opinion (Rec. pp. 55-60) filed November 30, 1940, reversed the Order of the District Court and remanded the cause, with direc-

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* In the second footnote on page 3 of the instant Petition, reference is made to the *Abbotts Dairies* case *supra*. The only relevant matter in the said footnote is that pertaining to the fact that the claims of the original Vogt patent No. 1,783,864 were adjudicated by the courts to be invalid and void. Pursuant to this invalidation on the ground that these claims were anticipated by the prior art, the claims were formally disclaimed and the application for reissue was filed in the Patent Office which eventuated into Reissue patent No. 21,406. This application for the reissue of the Vogt patent was filed *nine years after the grant of the original patent and more than four years after respondent's ice cream freezers had been manufactured, publicly used, and sold.*

The said footnote in the Petition states gratuitously that this reissue patent issued with new and narrower claims. Respondent denies this, and has stated in its Complaint that claims 1, 2, and 3 thereof,—the claims specifically mentioned in the Fairbank letter of March 20,—are for the same alleged invention as claims 3 and 5 of the original patent, differing therefrom only in verbiage (Rec. p. 5, par. 11). Claims 3 and 5 of the origical Vogt patent are quoted in Judge Kirkpatrick's decision at 24 F. Supp. 552, and claims 1, 2, and 3 of the Vogt reissue patent are found in the record here at pages 17 and 18.

tions to reinstate the action. The Court, Judges Biggs, Maris, and Goodrich sitting, *held with Judge Nields that all the elements of a controversy essential to a Declaratory Judgment action were present when respondent was notified by The Girdler Corporation in the letter of March 20th that respondent's ice cream freezer infringed the Vogt Reissue patent and warned of an infringement suit* (Rec. p. 60).

The Court also held that the granting or refusal of relief under the Declaratory Judgment Act, while within the sound discretion of the Court, is a judicial discretion and is reviewable on appeal. Further, the Court, after discussing the facts as hereinabove related and giving consideration to the true relationship of the parties, which was certainly not one of mutual trust and reliance, as evidenced by the parties having dealt with each other at arm's length and as open and bitter antagonists in the previous *Abbotts Dairies* case, concluded that the District Court took a completely unrealistic view of the two letters written by respondent in reply to the letter of March 20 from The Girdler Corporation that threatened suit, and the letter of March 22 from the Cherry-Burrell Corporation that hinted rather broadly of the possibility of further costly litigation.

The Court also found that, inasmuch as the same parties, the same issues, and the same legal principles were involved in the Delaware Declaratory Judgment action as in the Illinois infringement suit, petitioners have not been deprived of any rights inasmuch as they are not entitled as of right to an adjudication of the issues by the District Court of Illinois rather than the District Court of Delaware.

II. JURISDICTION.

On page 5 of the Petition a list of cases is cited. While these sustain the jurisdiction of the Supreme Court under the facts and circumstances therein related, not one of these cases is concerned with the Declaratory Judgment Act, the construction of which, so petitioners allege, is involved by the questions presented in the Petition.

III. QUESTIONS PRESENTED.

(1) Petitioners have not completely stated the facts upon which their first question is bottomed.

The notices of infringement to respondent are the letters of March 20 and March 22. Each of these letters contains more than a bare notice of infringement. The letter of March 20 (Rec. p. 25) stated, in addition to the notice, that "*unless infringement ceases, it will be necessary to take legal action.*" The letter of March 22 (Rec. p. 27) speaks of adjusting "*our differences,*" and states that "*Lawsuits are very expensive and very annoying.*"

The Circuit Court of Appeals held that when The Girdler Corporation wrote the letter of March 20 and notified respondent that it infringed the patent and warned of an infringement suit, all the elements of a controversy essential to a Declaratory Judgment action were present (Rec. p. 60). This ruling was in affirmance of the District Court.

(2) Petitioners have not correctly stated the facts upon which their second question is bottomed.

R. S. 4900, 35 U. S. C., Sec. 49,* in addition to stating that it is the duty of patentees and their assigns to mark properly patented articles, specifies that no damages shall be recovered by a plaintiff in an infringement suit who fails to mark properly the patented article, except on proof that

* Quoted on page 23 of petitioner's brief.

the defendant was duly notified of the infringement and thereafter continued with his infringing act.

As stated in our answer to question 1, *supra*, the letters of March 20 and March 22 went much further than to give a bare notice of infringement. The replies of Mr. Wallis to these letters were not fraudulent and not deceptive, nor are they properly described in the second footnote on page 5 of the Petition. Mr. Wallis's reply to Mr. Fairbank (Rec. p. 26) stated that he would communicate further with Mr. Cherry in response to the suggestions made by the latter. Mr. Wallis's reply to Mr. Cherry (Rec. p. 27) was that this present development of the continuous litigation was a surprise and stated that "naturally I wish to discuss it with our people. I will communicate further with you in the matter within the next few days." There was no promise made by respondent that it would consider the *suggestion of a license*, as petitioners incorrectly state in this footnote.

ARGUMENT.

Answer to Point I.

Petitioners request this Court to disturb the concurring holdings of the Delaware District Court and the Circuit Court of Appeals.

The letter of March 20, 1940, to respondent was more than a bare notice of infringement; it contained a *threat to sue*. The letter of March 22, 1940, spoke of "*our differences*" and hinted rather broadly as to the possibility of further costly and annoying litigation. As petitioners pose their first question in their Petition, they omit mention of these threats and implications. We fail to see how, under the facts present in the case at bar, the decision of the Circuit Court of Appeals nullifies in practical effect R. S. 4900 as petitioners allege.

It is a well-settled rule of this Court that it will not disturb concurring findings of a District Court and a Circuit Court of Appeals, except in the case of the clearest error (*Charleston Mining Co.* v. *United States,* 273 U. S. 220, 223, and the many cases there cited).

Moreover, the question propounded in petitioners' *Point I* is not of broad and public interest either to a patent owner or to the public at large. A writ of certiorari is not granted except in cases involving principles the settlement of which is of importance to the public as distinguished from that of the parties, and in cases where there is a real and embarrassing conflict of opinion and authority between the Circuit Courts of Appeals. The present case certainly comes under neither head (*Layne et al.* v. *Western Well Works,* 261 U. S. 387, 393).

Obviously, it is not to be expected that the Vogt Reissue patent would be immediately and without question honored by respondent on receipt of the letters of March 20 and March 22 from the petitioners, which imparted to respondent the first knowledge that the reissue patent had been granted by the Patent Office. This reissue patent was of dubious ancestry. The original Vogt patent had been adjudicated invalid in the *Abbotts Dairies* case on the ground that the invention described and claimed in it was completely anticipated by the prior art at all points. Statutory disclaimers of the claims adjudicated to be invalid because of the prior art Meisenhelter patent, a file-wrapper reference (24 F. Supp. 551, 556), had been filed, which disclaimers proclaimed that Vogt had claimed in his original patent more than that of which he was the original or first inventor or discoverer (*Cartridge Co.* v. *Cartridge Co.,* 112 U. S. 624, 645; *Altoona Theatres* v. *Tri-Ergon Corp.,* 294 U. S. 477, 492; *Maytag Co.* v. *Hurley,* 307 U. S. 243, 245; *Triplett* v. *Lowell,* 297 U. S. 638, 643). The original patent was re-

issued more than nine years after its grant, and more than four years after respondent had been continuously engaged in manufacturing and selling the accused ice cream freezers (*Sontag Stores Co.* v. *Nut Co.*, 310 U. S. 281, 295). Respondent knew, as petitioners should have known, that the grant of a reissue patent requires that the reissue patent must be for the same invention as the original patent (*Manufacturing Company* v. *Ladd*, 102 U. S. 408, 414; *Eby* v. *King*, 158 U. S. 366, 374; *Sontag Stores Co.* v. *Nut Co.*, 310 U. S. 281, 288). As a corollary, if the original patent has been adjudicated to be void because the invention is completely anticipated by the prior art, then *a priori* the reissue patent is likewise void.

With this dubious ancestry of the Vogt Reissue patent, respondent was not going to remain inactive and again risk his business by permitting another customer to become engulfed in a second infringement suit involving an alleged invention that the Courts had held to be completely anticipated. The *Abbotts Dairies* case was a suit brought by petitioners against respondent's customer in Philadelphia rather than against respondent in Chicago. Faced with these considerations, respondent's primary interest in filing the Declaratory Judgment action in Delaware was to invoke such legal remedy as was available to it for the purpose of protecting its business from a second attack upon another customer who would be harassed as Abbotts Dairies, Inc., had been in the first infringement suit.

Respondent could not have sued petitioners in the Illinois District Court because The Girdler Corporation is a corporation organized under the laws of the State of Delaware. It is a patent-holding company only, and does not manufacture and sell ice cream freezers. Cherry-Burrell Corporation is likewise a corporation of the State

of Delaware. Therefore, the only means by which respondent could protect its business and its customers was in a Declaratory Judgment action filed in the District of Delaware, where jurisdiction against petitioners was obtainable. This was deemed to be the most expeditious way to settle this renewed controversy regarding respondent's right to manufacture and sell its ice cream freezers.

The Circuit Court of Appeals in the case at bar bases its ruling on *Aetna Life Insurance Co.* v. *Haworth*, 300 U. S. 227 (Rec. p. 60), and petitioners accept this authority on page 8 of their brief as being a proper construction of the Federal Declaratory Judgment Act.

In view of the foregoing background and environment in which the instant controversy arose, all of the elements of an actual controversy essential to a Declaratory Judgment action as set forth in the *Aetna Life Insurance* case, *supra*, were present when respondent filed its Complaint in the Delaware District Court.

The following authorities cited by petitioners on pages 9 and 10 of their brief do not conflict with the decision of the Circuit Court of Appeals for the Third Circuit in the case at bar.

In the *Board of Com'rs for Buras Levee District* v. *Cockrell*, 91 F. (2d) 412 (C. C. A. 5), the Court found that an "actual controversy" was not shown because there was present only a difference of opinion between the parties as to the scope of a former decree as it might affect *possible controversies* that might develop in the future over unascertained tracts of land.

In *New Discoveries, Inc.* v. *Wisconsin Alumni Research Foundation*, 13 F. Supp. 596 (W. D. Wis., 1936), an actual controversy did not exist between the parties, because neither the plaintiff there nor its customers were using the alleged infringing process, and plaintiff's cus-

tomers had merely been warned that if they did use the process they would infringe. The Court held that the dispute was academic and was based upon a purely hypothetical statement of facts that were contingent, uncertain, and might never exist (p. 598).

In *Petersime Incubator Company* v. *Bundy Incubator Company et al.*, 34 U. S. P. Q. 251 (D. C. Ohio, 1937), it does not appear that plaintiff had been threatened with suit because of the alleged infringement of defendant's patent. But the Complaint on its face did allege sufficient facts to warrant an inference of bad faith on the part of the defendant. For this reason the Court ruled that the Declaratory Judgment Act on the question of infringement was properly invoked.

United States v. *West Virginia et al.*, 295 U. S. 463 (1935), involved a question of the original jurisdiction of this Court. The Declaratory Judgment Act was not involved, but this Court held that the Complaint, at most, stated only a difference of opinion between the officials of the government of the United States and the government of the State of West Virginia. This Court said (p. 474):

> ". . . Until the right asserted is threatened with invasion by acts of the State, which serve both to define the controversy and to establish its existence in the judicial sense, there is no question presented which is justiciable by a federal court."

On page 12 of petitioners' brief under Section B it is stated that this Court has not settled the question as to whether or not the taking of adverse positions is essential to the existence of an "actual controversy." The authorities here cited, including *Aetna Life Insurance Co.* v. *Haworth, supra*, all support the ruling of the Circuit Court of Appeals in the case at bar, and they do not show any conflict of decision.

This Court in its opinion in the *Aetna* case answered squarely petitioners' question as follows:

> "A 'controversy' in this sense must be one that is appropriate for judicial determination. . . . The controversy must be definite and concrete, touching the *legal relations of parties having adverse legal interests.* . . . It must be a real and substantial controversy admitting of specific relief through a decree of a conclusive character, as distinguished from an opinion advising what the law would be upon a hypothetical state of facts." (300 U. S. 227, 240-241.)

We submit that the following additional authorities squarely establish that, under the facts and circumstances in the case at bar, an "actual controversy" existed when respondent filed its Declaratory Judgment action in the Delaware District Court:

Milwaukee Gas Specialty Co. v. *Mercoid Corporation*, 104 F. (2d) 589, 591 (C. C. A. 7, 1939).

E. W. Bliss Co. v. *Cold Metal*, 102 F. (2d) 105, 108 (C. C. A. 6, 1939).

United States Fidelity & Guaranty Co. v. *Koch et al.*, 102 F. (2d) 288, 294-295 (C. C. A. 3, 1939).

Samuel Goldwyn, Inc., et al. v. *United Artists Corp.*, 113 F. (2d) 703, 707 (C. C. A. 3, 1940).

Caterpillar Tractor Co. v. *International Harvester Co.*, 106 F. (2d) 769, 772-774 (C. C. A. 9, 1939).

Engler v. *General Electric Co.*, 29 F. Supp. 421, 422 (S. D. N. Y., 1939).

Duro Test Corp. v. *Welsbach Street Lighting Co. et al.*, 21 F. Supp. 260, 261 (D. C. Del., 1937).

B. F. Goodrich Co. et al. v. *American Lakes Paper Co.*, 23 F. Supp. 682, 686 (D. C. Del., 1938).

Borchard on Declaratory Judgments, pp. 40 and 48-50, inc.

University of Chicago Law Review (Borchard), Vol. 4, December, 1936, No. 1, p. 28.

In the case of *Milwaukee Gas Specialty Co., supra,* Mercoid, having been notified of the alleged infringement of a patent owned by Milwaukee Gas, was informed by letter that unless it accepted a license under the patent within 10 days, a patent infringement suit would be brought against it. *Without waiting for the 10-day ultimatum to expire, Mercoid, petitioner, filed in the Wisconsin District Court a Declaratory Judgment action against Milwaukee Gas, respondent, challenging the validity of the patent and denying the charge of infringement. This was Mercoid's only response to the letter from Milwaukee Gas.*

Subsequently, Milwaukee Gas, as plaintiff, filed an infringement action against Mercoid, as defendant, in the Illinois District Court. The reported decision of the Court of Appeals deals with a motion brought by Mercoid in the Illinois suit after Answers had been filed in both the Declaratory Judgment Wisconsin suit and in the Illinois infringement suit.

However, the record in the case at bar establishes that Milwaukee Gas moved to dismiss the Declaratory Judgment suit prior to Answer, and that the Court denied the motion in an Order entered on July 16, 1938 (Rec. pp. 39-42). One of the grounds urged by Milwaukee Gas in the motion to dismiss was that because Mercoid had filed its Declaratory Judgment action before the expiration of the 10-day period allowed by the patent owner for Mercoid to take a license, the Declaratory Judgment action was not proper for the purpose for which Declaratory Judgment suits are intended.

In the Illinois patent infringement suit, the Circuit Court of Appeals for the Seventh Circuit squarely answered in the negative the contention which petitioners present to this Court. As we have pointed out, the Declaratory Judgment suit in Wisconsin was filed within

a few days of the threat to commence suit and before the 10-day ultimatum expired, just as in the case at bar, and the infringement suit in Illinois was filed a few weeks thereafter, just as in the case at bar.

The reported case came before the Circuit Court of Appeals on the denial of Mercoid's motion in the Illinois suit for a preliminary injunction to restrain Milwaukee Gas from prosecuting its infringement action pending final determination of the Declaratory Judgment suit in Wisconsin. In speaking of the Wisconsin suit, Judge Kerner said (p. 591):

> "It is clear that plaintiff claims that defendant's Mercoid Sensatherms infringe a patent which it owns and which it claims is valid. The defendant denies the validity of the patent and that its product infringes *and by its petition in the declaratory judgment proceedings so notified the plaintiff*. Under such circumstances they stand opposed to each other in respect to legal rights and obligations and a case is presented that is appropriate for judicial determination. *Aetna Life Insurance* v. *Haworth*, 300 U. S. 227, . . . and *E. W. Bliss Co.* v. *Cold Metal Process Co.*, . . . 102 F. 2d 105."

The above authorities show no conflict of decision and clearly establish that a notice of infringement and a threat to take legal action, without more, is such a denial and challenge of a party's right to continue its manufacture and sale of the accused device as to create an actual justiciable controversy and to entitle the threatened party to bring a Declaratory Judgment action. In the case at bar, the Courts below were correct in ruling that an actual justiciable controversy arose between the parties here upon receipt by respondent of the letter of March 20, 1940.

Under Section C on pages 12 to 14 of petitioners' brief, the question is posed as to the proper exercise of discretion of a court in declining jurisdiction under the Declara-

tory Judgment Act where there is a pending suit involving the same issues.

There is no conflict of decision, particularly when the pending suit was filed subsequently to the Declaratory Judgment action, and when both actions involve the same parties, the same issues, and the same legal principles, as the Circuit Court of Appeals has held in the case at bar, which Court also held that petitioners have not been deprived of any rights (Rec. p. 59).

Again the Circuit Court of Appeals for the Seventh Circuit, in the *Milwaukee Gas Specialty Co.* case, *supra,* answered petitioners' question where the Court said:

> ". . . But that controversy [the Illinois infringement suit], says the plaintiff, must be determined in the instant case, otherwise it would be deprived of its statutory right to prosecute infringers. With this contention, under the facts in this case, we cannot agree.
>
> . . . . . .
>
> "The general rule is that the court first acquiring jurisdiction is entitled to maintain it until its duty is fully performed, and the jurisdiction involved is exhausted. . . . In *Kline* v. *Burke Construction Co., supra,* 260 U. S. at page 231, 43 S. Ct. at page 82, 67 L. Ed. 226, 24 A. L. R. 1077, the court in discussing this rule said:
>
> "'The rule is not only one of comity, to prevent unseemly conflicts between courts whose jurisdiction embraces the same subject and persons, . . . "It is a principle of right and law, and therefore of necessity. It leaves nothing to discretion or mere convenience."'
>
> "We conclude, therefore, that the jurisdiction involved by the two suits was concurrent and since the petition in the Wisconsin district court [the Declaratory Judgment action] was filed prior to the complaint in the instant case, the jurisdiction of the Wisconsin court first attached and the order of the Illinois district court must be reversed and the cause remanded for further proceedings not inconsistent with this opinion." (104 F. (2d) 589, 591-592.)

These additional authorities are to the same effect:

E. W. Bliss Co. v. *Cold Metal Process Co.*, 102 F. (2d) 105, 109 (C. C. A. 6).

Employers' Liability Assur. Corp. Ltd. v. *Ryan et al.*, 109 F. (2d) 690, 691 (C. C. A. 6).

Samuel Goldwyn, Inc., et al. v. *United Artists Corp.*, 113 F. (2d) 703, 709 (C. C. A. 3).

Silvray Lighting, Inc. v. *Versen et al.*, 25 F. Supp. 223, 224 (S. D. N. Y., Judge Patterson).

Rules of Civil Procedure, 28 U. S. C., pars. 723b, 723c, Rule 57.

The cases cited on pages 12 to 14 of petitioners' brief are not in point, or now lack authority. The case of *Rogers* v. *Guaranty Trust Co. of New York*, 288 U. S. 123, decided in 1933, was not concerned with the Declaratory Judgment Act. This authority will be discussed further under our answer to *Point II.*

In *American Automobile Ins. Co.* v. *Freundt et al.*, 103 F. (2d) 613, the Declaratory Judgment action was held to have been properly dismissed because the relief sought therein could be obtained in a pending suit in a state court, which suit was filed prior to the Declaratory Judgment action.

The cases of *Zenie Bros.* v. *Miskend et al.*, 10 F. Supp. 779 (S. D. N. Y., 1935); *Automotive Equipment, Inc.* v. *Trico Products Corp.*, 11 F. Supp. 292 (W. D. N. Y., 1935); and *Acticarbone Corp.* v. *National Carbon Co.* (unreported), (S. D. N. Y., 1936), were all determined before the Rules of Civil Procedure were adopted, which was in September, 1938.* (See *E. W. Bliss Co.* v. *Cold Metal Process Co.*, 102 F. (2d) 105, 109 (C. C. A. 6, 1939).)

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* Rule 57 reads in part as follows:

". . . The existence of another adequate remedy does not preclude a judgment for declaratory relief in cases where it is appropriate. The court may order a speedy hearing of an action for a declaratory judgment and may advance it on the calendar."

Furthermore, in the *Zenie Bros.* case, the motion to dismiss the Declaratory Judgment action was *denied;* in the *Automotive Equipment* case the Declaratory Judgment action was not brought *until after* infringement suits on the same patents had been brought; and in the *Acticarbone* case the Court stressed the fact that the petition for a Declaratory Judgment, even after amendment, was defective in various respects (Rec. p. 44).

In *Aetna Casualty & Surety Co.* v. *Yeatts,* 99 F. (2d) 665 (C. C. A. 4, 1938), the Court found that the Complaint filed in the Declaratory Judgment action stated an actual controversy between the parties, relying upon this Court's decision in *Aetna Life Insurance Co.* v. *Haworth, supra.* By way of *dictum,* the Court in *Aetna* v. *Yeatts* said that the benefits under the Declaratory Judgment Act should not be extended to decide the disputed question if the result would be merely to anticipate the trial of an issue involved in a pending case, or to try a controversy piecemeal without complete decision of the matters in dispute (p. 669).

The decision in the case at bar of the Circuit Court of Appeals for the Third Circuit which petitioners ask this Court to review, has not, as petitioners allege, brought into a state of further confusion and uncertainty the construction put upon the Declaratory Judgment Act by the federal courts and other authorities, but merely follows the accepted construction of that Act.

Answer to Points II and III.

Petitioners' captions under these points are not supported by their argument or by the authorities cited. There is no probable or even possible conflict between the decision of the Circuit Court of Appeals in the case at bar and the decision of this Court in the case of *Aetna Life Insurance Co.* v. *Haworth,* 300 U. S. 227, under the

facts and circumstances here present which have been fully stated above.

The case of *Rogers* v. *Guaranty Trust Company of New York et al.*, 288 U. S. 123, mentioned above and referred to on pages 12 and 15 of petitioners' brief, was a stockholders' suit brought in a New York Court against a New Jersey corporation having its "principal and registered office" in New Jersey, and its "principal place of business" in New York. This Court, in approving the refusal of the New York Federal District Court to accept jurisdiction of this stockholders' suit, stated the settled doctrine to be that a Court

> ". . . sitting in one State will as a general rule decline to interfere with or control by injunction or otherwise the management of the internal affairs of a corporation organized under the laws of another State but will leave controversies as to such matters to the courts of the State of the domicile."

There can be no conflict of decision between the *Rogers* case and that of the Circuit Court of Appeals in the case at bar. The instant case does not involve the management of the internal affairs of either of the petitioner corporations, and the action here was brought in Delaware, the domicile of both petitioners. There is nothing in the *Rogers* case to suggest, as petitioners imply, that the location of the "main offices" of the parties should be in any way controlling. In fact, the main office of the defendant corporation in the *Rogers* case was located in New York, *where jurisdiction was declined.*

In *Keystone Driller Co.* v. *General Excavator Co.*, 290 U. S. 240, this Court said (p. 245):

> "But the courts of equity do not make the quality of suitors the test. *They apply the maxim requiring clean hands only where some unconscionable act of one coming for relief has immediate and necessary relation to the equity that he seeks in respect of the*

> *matter in litigation.* They do not close their doors because of plaintiff's misconduct, whatever its character, that has no relation to anything involved in the suit, but *only for such violations of conscience as in some measure affect the equitable relations between the parties in respect of something brought before the court for adjudication.*"

In the case at bar, the Circuit Court of Appeals properly held that respondent was not guilty of any unconscionable conduct, but that petitioners' interpretation of the correspondence between the parties was completely unrealistic. Further, that even if petitioners "could have been misled by the tone of the plaintiff's [respondent's] replies, they have not been deprived of any rights" (Rec. p. 59). The *Keystone* case has no bearing on the facts in the case at bar and there is no conflict of decision.

Likewise, the decision of this Court in the case of *R. H. Stearns* v. *United States*, 291 U. S. 54, has no possible bearing upon the decision of the Circuit Court of Appeals in the case at bar. In the *Stearns* case this Court held that a taxpayer who, by tendering a signed waiver of the statutory period of limitations, had induced the Commissioner to delay acting on certain claims until after the statutory period had run, could not thereafter defeat the waiver and invoke the period of limitation, even though the Commissioner had not formally approved the waiver until after the period had run. The case at bar involves no period of limitation, no estoppel against respondent, and no omission induced by respondent.

The statement on page 16 of petitioners' brief that the case at bar presents a further question as to whether the Declaratory Judgment Act is to be construed as so far distant from the field of equity that the doctrine of unclean hands is without application in actions instituted under the Declaratory Judgment Act, is entirely without foundation. Both the District Court and the Circuit

Court of Appeals, in considering the case at bar, treated this Declaratory Judgment action as an equitable action, and the Court of Appeals properly found that the facts in this case do not warrant the application of the doctrine of unclean hands. Neither court drew any distinction between a Declaratory Judgment action for equitable relief and any other equitable action.

As we have heretofore shown, the decision of the Circuit Court of Appeals in the instant case is not of far-reaching effect in the field of patent law, it does not condone conduct which is other than honest and fair, and it does not involve any question of public interest. There are, in fact, no questions involved here which need be reviewed by this Court.

Conclusion.

The Petition raises no questions pertaining to conflict of decision respecting the interpretation of the Federal Declaratory Judgment Act as applied in the broad field of patent cases. The decision of the Circuit Court of Appeals for the Third Circuit in the case at bar is correct. In reason and authority, the Petition should be denied by this Honorable Court.

Respectfully,

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APPENDIX "A".

35 U. S. C. A., Sec. 64:

Defective Patents.

Reissue of defective patents; patents for separate parts.

Whenever any patent is wholly or partly inoperative or invalid, by reason of a defective or insufficient specification, or by reason of the patentee claiming as his own invention or discovery more than he had a right to claim as new, if the error has arisen by inadvertence, accident, or mistake, and without any fraudulent or deceptive intention, the commissioner shall, on the surrender of such patent and the payment of the duty required by law, cause a patent for the same invention, and in accordance with the corrected specification, to be reissued to the patentee or to his assigns or legal representatives, for the unexpired part of the term of the original patent. Such surrender shall take effect upon the issue of the reissued patent, but in so far as the claims of the original and reissued patents are identical, such surrender shall not affect any action then pending nor abate any cause of action then existing, and the reissued patent to the extent that its claims are identical with the original patent shall constitute a continuation thereof and have effect continuously from the date of the original patent. The commissioner may, in his discretion, cause several patents to be issued for distinct and separate parts of the thing patented, upon demand of the applicant, and upon payment of the required fee for a reissue for each of such reissued letters patent. The specifications and claims in every such case shall be subject to revision and restriction in the same manner as original applications are. Every patent so reissued, together with the corrected specifications, shall have the same effect and op-

eration in law, on the trial of all actions for causes thereafter arising, as if the same had been originally filed in such corrected form; but no new matter shall be introduced into the specification, nor in case of a machine patent shall the model or drawings be amended, except each by the other; but when there is neither model nor drawing, amendments may be made upon proof satisfactory to the commissioner that such new matter or amendment was a part of the original invention, and was omitted from the specification by inadvertence, accident, or mistake, as aforesaid. R. S. Sec. 4916; May 24, 1928, c. 730, 45 Stat. 732.

APPENDIX "B".

35 U. S. C. A., Sec. 65:

Disclaimer.

Whenever, through inadvertence, accident, or mistake, and without any fraudulent or deceptive intention, a patentee has claimed more than that of which he was the original or first inventor or discoverer, his patent shall be valid for all that part which is truly and justly his own, provided the same is a material or substantial part of the thing patented; and any such patentee, his heirs or assigns, whether of the whole or any sectional interest therein, may, on payment of the fee required by law, make disclaimer of such parts of the thing patented as he shall not choose to claim or to hold by virtue of the patent or assignment, stating therein the extent of his interest in such patent. Such disclaimer shall be in writing, attested by one or more witnesses, and recorded in the Patent Office; and it shall thereafter be considered as part of the original specification to the extent of the interest possessed by the claimant and by those claim-

ing under him after the record thereof. But no such disclaimer shall affect any action pending at the time of its being filed, except so far as may relate to the question of unreasonable neglect or delay in filing it. R. S. Sec. 4917.

35 U. S. C. A., Sec. 71:

Suit for infringement where specification too broad.

Whenever, through inadvertence, accident, or mistake, and without any willful default or intent to defraud or mislead the public, a patentee has, in his specification, claimed to be the original and first inventor or discoverer of any material or substantial part of the thing patented, of which he was not the original and first inventor or discoverer, every such patentee, his executors, administrators, and assigns, whether of the whole or any sectional interest in the patent, may maintain a suit at law or in equity, for the infringement of any part thereof, which was bona fide his own, if it is a material and substantial part of the thing patented, and definitely distinguishable from the parts claimed without right, notwithstanding the specifications may embrace more than that of which the patentee was the first inventor or discoverer. But in every such case in which a judgment or decree shall be rendered for the plaintiff no costs shall be recovered unless the proper disclaimer has been entered at the Patent Office before the commencement of the suit. But no patentee shall be entitled to the benefits of this section if he has unreasonably neglected or delayed to enter a disclaimer. R. S. Sec. 4922.